

## **ABSTRACT**

Stem cells are induced in culture to form cells which express surfactant protein C (SPC), thereby offering a convenient and abundant supply of alveolar tissue without requiring lung donation or the use of cadavers. Stem cells are cultured to give embryoid bodies, which are they maintained under  
5 conditions which cause them to differentiate into cells which express SPC. SAGM medium has been found to be particularly effective for causing differentiation of the embryoid bodies.